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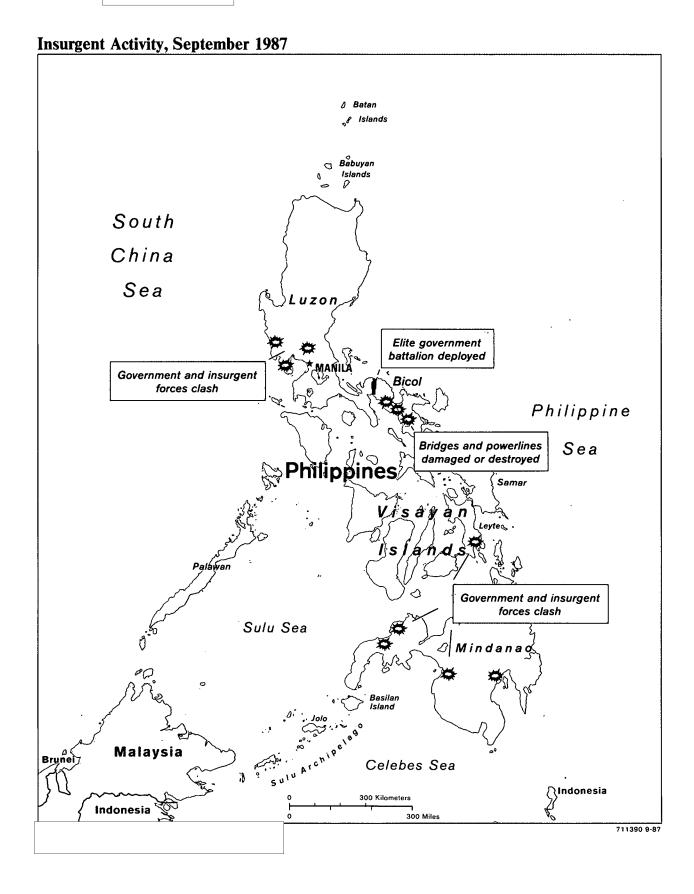
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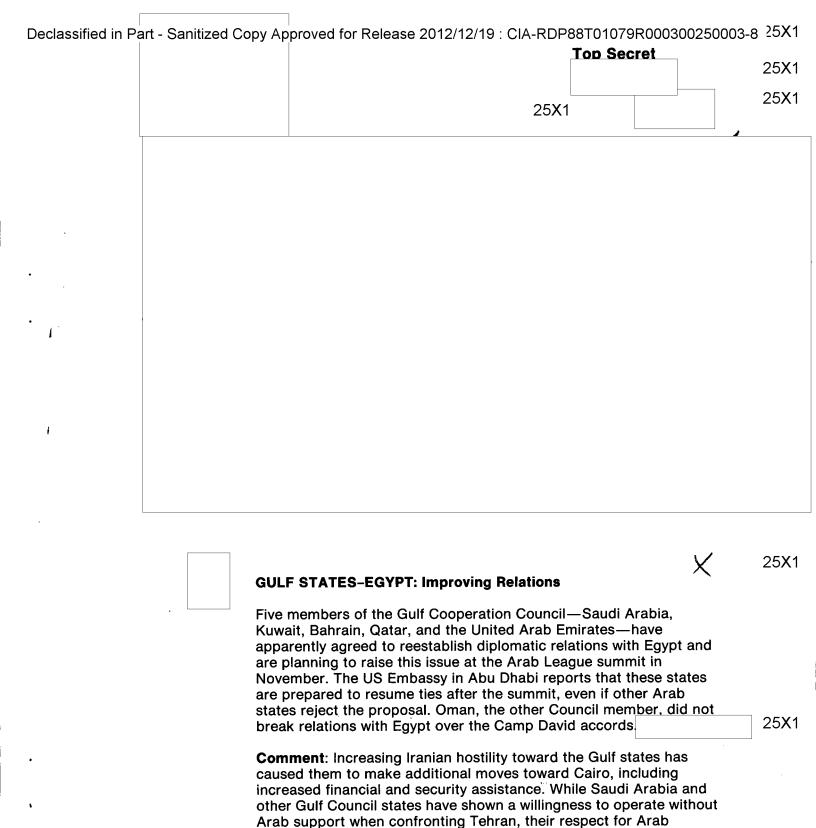
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	Top Secret
SOUTH KOREA:	Failure To Agree on Candidate
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	The failure of opposition leaders Kim Young Sam and Kim Dae Jung to agree today on which of them will be their party's presidential candidate hardens the lines for a protracted nomination battle that could critically divide the opposition
	camp.
on 29 Cept	According to press reports, the two Kims emerged grim faced from a two-hour meeting and admitted they had not resolved the issue. Although the party's spokesman said the two would confer again after discussions with their aides, no further talks have been scheduled.
	Comment: The rival leaders' failure to agree even on procedures for settling the nomination question—notwithstanding earlier pledges to designate a single candidate by tomorrow—marks a clear hardening of their positions. For his part, Kim Dae Jung now appears poised to launch an all-out campaign to represent the opposition in the December election. He is likely to point to the turnout at his recent speeches as evidence of public support, and he has already begun to exploit the publicity from fresh media revelations about his kidnaping from Japan by South Korean security elements in 1973
	A coalition of dissident organizations is demanding that the two Kims decide on a single candidate by next Menday, and Kim Dae Jung may calculate that the growing momentum of his campaign—particularly in contrast to the less aggressive efforts by Kim Young Sam—will swing that group to his side and force his rival to concede. The deepening conflict over the nomination carries a growing risk that the party may split on the issue or, at the very least, carry deep factional rifts into the presidential campaign, no matter which Kim ultimately emerges as the opposition's nominee





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consensus makes it unlikely they would unilaterally reinstate diplomatic relations with Egypt over Arab League objections.

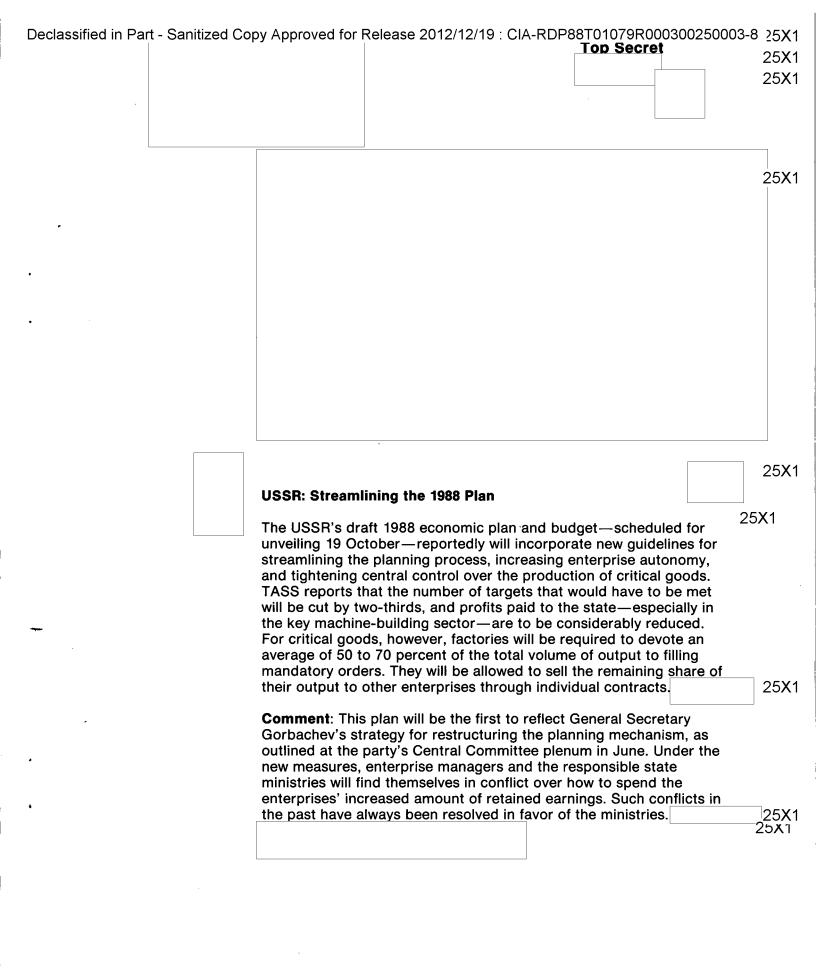
Nonetheless, Riyadh probably hopes that, by raising the issue at the summit and demonstrating Gulf Council solidarity, it can discourage Iranian retaliation and persuade Egypt to provide military assistance

to support Gulf defenses against Iran.

Declassified in Part - Sanit	ized Copy Approved for Release 2012/12/19 : CIA	A-RDP88T01079R000300250003-8 Top Secret	25X1
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	The brutal beating of a leftist Ecuadorear assailants Fast Thursday is likely to bring government as the congress begins the to Government Robles for alleged human rice congressman was a leading proponent of To prevent the crisis from escalating into Febres Cordero has strongly condemned congressional leader Zavala reiterated his investigation to include senior military and to the US Embassy. Despite Zavala's pleading the use of tear gas again disappearances of leftist students, and as terrorists. Comment: Despite the efforts of senior of	even more pressure on the rial today of Minister of ghts abuses. The injured of the move against Robles. a military coup, President the beating, and intention not to expand the d police officers, according dge, the questions veral sensitive police inst congress last year, ssassinations of suspected of ficials to act responsibly, far	25X1 25X1
	leftist congressmen will probably try to percolleagues to expand the Robles trial into the security forces. In any event, tensions the impeachment proceedings.	ersuade their center-left o a direct confrontation with s will remain high throughout	25X1
	COLOMBIA: Progress on Drug Control II The Colombian national police have comagainst coca cultivators and processors is prospect for progress against major traff mid-June, the police force has eradicated (280 hectares) of coca cultivation, seized (300 kilograms) of semirefined cocaine, a 600 small coca-processing laboratories. I laboratory has been captured, according 37,000 acres (15,000 hectares) of coca remost are in southeastern Colombia—and operation so far is minimal. Comment: The Barco government's effort performance continue to be hampered by such legal constraints as the recent set by with the US. Police initiatives are likely to low-level targets. The program's overall was present few difficulties to major drug bard the southeast and usually obtain partially suppliers in Peru and Bolivia.	pleted recent operations In the southwest, but the lickers remains dim. Since d almost 700 acres about 700 pounds Ind destroyed nearly No large processing to the US Embassy, and emain under cultivation— d the impact of the police Its to improve its antidrug y a lack of resources and by acks to the extradition treaty o continue to focus on weaknesses will continue to ons, who operate primarily in o processed cocaine from	25X1 25X1 25X1

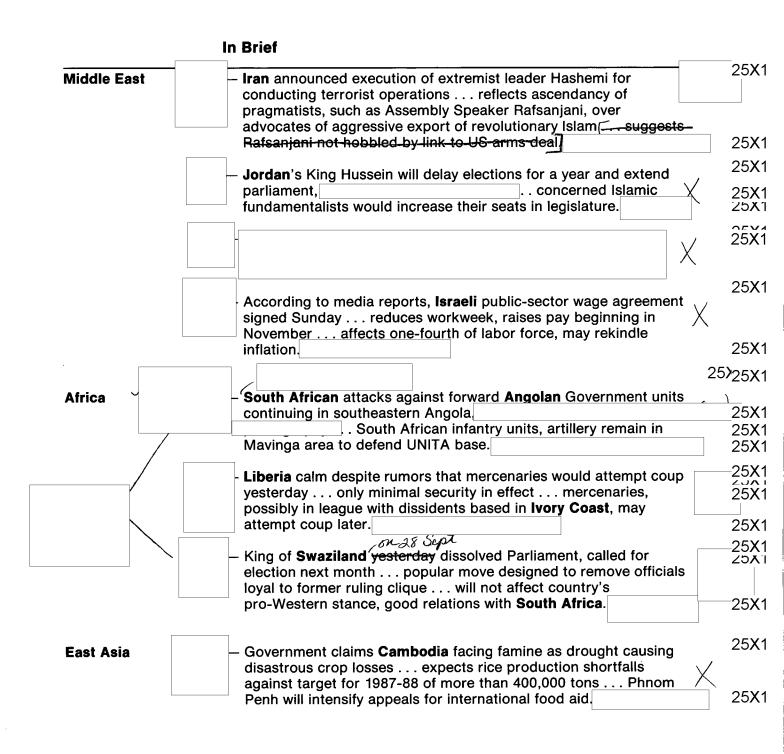
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	ARGENTINA: I	Military Unrest Resur	faces	
	Sunday when a Aires Province The Army high despite press a themselves to them to resum officers may have his participation told reporters rebellion last Edecision transf Comment: The within the militial administration the still unreso announced decision.	about 150 officers from protested the transfer command claimed the and Embassy reporting barracks until Army Control their duties. Accordance believed their commandering the commandering the commandering the commander officers' protest exertary and between the accordance budget, personal to the annual resistance of the annual resistance.	argentine military reemerged on an Army regiment in Buenos of their commanding officer. The regiment was not in rebellion go that the officers confined thief of Staff Caridi persuaded ing to the US Embassy, the amander was being punished for A spokesman for the regiment actions similar to those of the extractions of the extractions of the extractions of the extractions armed forces and the civilian rel, and procurement, as well as use. A number of soon-to-benilitary promotion boards will aridi is trying to use the	or t 25X1
	promotion cycl		nain of command, forcing	25X1
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	SURINAME: Re	eferendum Drawing L	ittle Interest	257
	a draft constitu referendum <u>. æ</u> Surinamers ha	ition tomorrow despit ecording to the US En ve misgivings about s	palition expect voters to approve lukewarm interest in the nbassyl The Embassy says ome of the document's role. Moriginal part of the military's role.	
	voters nonethe	less believe the const	itution should be approved in election, scheduled for	20/1
	25 November,	on track. Meanwhile. /	Head of Government Bouterse nat the revolution will continue	
•			ction, according to the Embass	
•	likely to give w weeks. Opposi popular suppo National Assen the military's fe to put oppositio	ay to more intense election coalition leaders of the standard	preceding the referendum is ectioneering over the next few will try to draw on the strong last month to gain control of the oly intended his remarks to eas on will endanger its standing arot to push too hard or too fast fintend to relinquish any real	e nd
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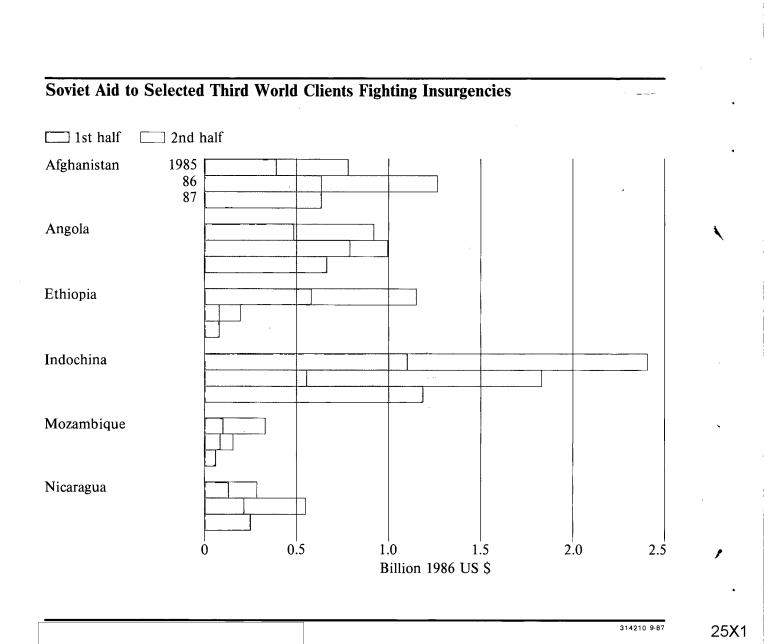




VIETNAM-CAMBODIA: Hanoi Lobbying Hard at UN In a major departure from past practice, Vietnam and Laos will participate actively in the UN General Assembly debate on Cambodia	25X′ 25X′
VIETNAM-CAMBODIA: Hanoi Lobbying Hard at UN In a major departure from past practice, Vietnam and Laos will participate actively in the UN General Assembly debate on Cambodia next month Hanoi is asking supporters to do the same. Vietnam has tried to set the stage	25 X 1
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asking supporters to do the same. Vietnam has tried to set the stage)EV4
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and blaming ASEAN and the Cambodian resistance for the lack of diplomatic progress,	25 X 1
the Vietnamese also are lobbying West European nations to 2	25 X 1
back Hanoi's quest for a political settlement at the UN.	25X1
	25 X 1
CAMBODIA-JAPAN: Proposed Dam Irks ASEAN	
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Comment: The proposal, nonetheless, will create more friction between Tokyo and ASEAN members, which have already complained that Japanese trade with Vietnam and the activities of Japanese firms that want to establish a foothold there are undermining ASEAN efforts to force Hanoi out of Cambodia. Tokyo is likely to argue, as it has before, that it has little control over the	25 X 1

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	Special Analysis
USSR: /	Arms Transfers to Beleaguered Clients Rise
	Soviet arms deliveries to eight Third World clients fighting insurgencies rose sharply in the first half of this year, reversing a decline during the same period in 1986, and may reach the near-record level of \$6 billion in 1985. Nicaragua and Indochina received substantially more military aid, while aid to Angola and Afghanistan remained near the levels of last year.
	Angola, Ethiopia, Mozambique, Vietnam, Laos, Cambodia, Afghanistan, and Nicaragua together received at least 95,000 metric tons of materiel worth an estimated \$2.8-3 billion between January and June 1987. This is more than a third of Moscow's seaborne military assistance to the Third World.
	Most of this aid consisted of follow-on and support materiel, such as trucks, spare parts, munitions, and engineering equipment needed for counterinsurgency efforts. The major equipment delivered in the first half of 1987 will either marginally augment military capabilities or replace weapons lost or worn out in combat. Nearly all deliveries continue to be on a grant, or de facto grant, basis.
	Nicaragua
	Direct Soviet military aid to Managua rose to more than \$250 million in the first half of 1987, up 15 percent over the same period last year and double that during the first half of 1985. While most aid consisted of support materiel, Nicaragua received a large quantity of major equipment: seven early warning radars, 98 antiaircraft guns and three associated radars, 12 antitank guns, seven helicopters, and 60 armored vehicles—the most armor and artillery received since late 1984. The early warning radars may help Managua track insurgent resupply flights, but the air defense weapons will only marginally improve the Sandinista's ability to down these aircraft.
	Indochina
	Moscow delivered almost \$1.2 billion in arms to Vietnam, Laos, and Cambodia during the first six months of 1987—more than twice that delivered in the same period last year—and about half the military aid sent this year to all the client countries fighting insurgencies. The bulk of deliveries to Vietnam and all deliveries to Laos and Cambodia consisted of support items and do not constitute a major new push to expand or modernize the three countries' military forces.
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	Sub-Saharan Africa Soviet deliveries to Angola declined slightly during the January-June period of 1987, as compared with the same period last year. Angola continued to receive Soviet air and air defense equipment to bolster the government's offensive capabilities and deter-South African-air attacks.	25X1 25X1
	Soviet arms shipments to Mozambique continued to diminish, and arms deliveries to Ethiopia did not exceed the record low level of 1986. Moscow subsequently sent a large shipment of munitions to Ethiopia this month, however, doubling the aid level from the first half of the year. Neither Ethiopia nor Mozambique received major equipment during the January-June period.	25 X 1
	Soviet deliveries to Afghanistan in the first half of 1987 match or exceed the \$635 million worth provided over the same period last year. Moscow furnished nearly 7,000 tons of major equipment, worth almost \$140 million, to Afghan forces: 100 tanks, 260 armored vehicles, almost 50 rocket launchers, and between 12 and 15 SU-7 aircraft. It also delivered an estimated 15,000 to 25,000 tons of other military goods. The Soviets provided more ground force equipment, particularly armored vehicles and rocket launchers, but fewer combat aircraft, helicopters, and transports. This reflects evidence of a reduced role for Afghan aircraft in response to more effective insurgent use of surface-to-air missiles, as well as increasing difficulties in flying and maintaining existing aircraft.	25 X 1
,	The level of military deliveries to the eight clients over the first six months of this year indicates that the decline in Soviet aid last year—the first in five years—was probably temporary. While Soviet arms deliveries generally vary greatly from year to year as a result of swings in contract cycles, arms deliveries to clients fighting insurgencies have been more prope to sharp appeal fluctuations than deliveries to	

ve been more prone to sharp annual fluctuations than deliveries to customers that generally pay for their arms. Such swings may reflect Moscow's readiness to respond to the short-term needs of its clients at war, while controlling its costs by avoiding consistently high levels of aid to all its dependent clients.

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Grudging Admission of the AIDS Problem

	·
May-September 1985	High-level Soviet scientists visiting the US to gain information on US efforts to control AIDS confide that 1,000 possible cases in both civilian and military populations have been identified.
October 1985	Despite this private admission, Soviet Deputy Minister of Health claims in the press that there are no AIDS cases in the USSR and that "conditions for its spread are unnatural to our society."
December 1985	The leading Soviet AIDS expert, Professor Viktor Zhdanov, admits in the Soviet press the existence of AIDS in the USSR (fewer than 10 cases) and states AIDS is an old disease originating in Africa.
June 1986	Zhdanov at Paris Conference on AIDS reports that 12 infected persons were found among the first 10,000 people tested at his institute and that the first Soviet case was noted in September 1984. He later officially estimates the rate of infection in the USSR to be one per 100,000 (about 3,000 persons).
February 1987	Foreign Ministry spokesman Gerasimov claims there are 20 cases of AIDS, all but two of whom are foreigners. He claims "social conditions do not exist here for spread of the disease," which he says can be seen as a "scourge of God" for contemporary decadence.
May 1987	Soviet scientist confides that AIDS is spreading from African students, prostitutes, and homosexual activity in the military.
June 1987	Valentin Pokrovskiy, President of the USSR Academy of Medical Science, and other Soviet spokesmen report 54 total cases of active illness—of whom 16 are Soviets—three deaths, and 30 foreigners expelled.
Mid-1987	The Soviet Minister of Health
	estimates the infected population to be 50,000 to 60,000.
August 1987	Following the announcement of the Politburo program on AIDS on 13 August, Pokrovskiy admits to the Western press that there are 130 AIDS cases and states, "We do not know the real situation concerning the chances of AIDS spreading We do not know how many prostitutes, drug addicts, and homosexuals we have."

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	Special Analysis
USSR:	Mobilizing To Fight AIDS
	The USSR has belatedly acknowledged a serious domestic AIDS problem and has unveiled tough steps to combat it. It will be hampered in this campaign by limited facilities for diagnosis and treatment, but the regime is less constrained than the West by the human rights and legal implications of harsh measures that may be required to control the disease. The Politburo recently called for more international cooperation on the problem, probably recognizing the Soviet need for relevant Western medical technology and perhaps hoping to gain credit for contributing to the worldwide effort against the disease. As a price, the Soviets seem willing to tone down their campaign to blame AIDS on the US.
	As recently as last February, a senior Soviet spokesman dismissed the problem of AIDS in the USSR as one that involved only two citizens. Middle-level officials, however, have been alarmed since the first Soviet case of AIDS was discovered in 1984. In mid-1985, Soviet scientists confided that they had found more than 1,000 cases of AIDS-type symptoms and that military officials were deeply concerned about cases found in the armed forces. Early this year, the leading Soviet AIDS expert publicly estimated that approximately 3,000 persons had been infected;
	Addressing the Problem
	Last month the Politburo evidently concluded that the disease could not be contained without publicity and publicly outlined a program to treat AIDS as a serious domestic problem. The program includes the distribution of 10 million leaflets on the dangers of AIDS infection, one to every household in Moscow and the remainder to public health offices nationwide. The Politburo also authorized a tough new law requiring citizens and foreigners to submit to AIDS testing on demand and threatening infected individuals with prison terms if they expose others. Foreign students testing positive are already being expelled or denied entry.
	The AIDS problem will test <i>glasnost</i> to the fullest by forcing detailed discussions of health care deficiencies, prostitution, drug use, and homosexuality in the USSR. The leadership probably was driven to acknowledge the problem for fear that, without an education effort, the disease might get out of control.
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	Prospects for Success	
	The Soviets have a poor record in controlling infectious diseases and in coping with weaknesses in their medical system. Soviet doctors and medical facilities are ill equipped to diagnose AIDS reliably. The system is incapable of completely testing blood supplies, and the current practice of reusing needles and other transfusion supplies	
•	risks spreading the infection.	25 X 1
•	The USSR last month announced a crash program to improve the medical system and may implement it more rapidly than usual, given the growing concern about AIDS. Even so, the essential improvements, will still take two to three years to complete, according-	
	to a senior Soviet-health-official.	25X1 25X
	International Implications	
	The Politburo has called for steps to "deepen international cooperation" to combat AIDS, marking an apparent shift away from its earlier propaganda exploitation of the issue. Deputy Foreign Minister Bessmertnykh told US officials that he had personally asked the Soviet press to cease all disinformation—a-US precondition for bilateral cooperation. Soviet media have been reporting both factual and propagandistic explanations for AIDS since 1985 but, over recent months, have relegated disinformation themes to the background.	
	Although the Soviet campaign to blame AIDS on the 🌿 had found a receptive audience in some parts of the Third World, the Soviets more	25X1 25X
	recently have offended many of the same groups, particularly in Africa, by implicitly attributing AIDS in the USSR to African students. Last month a senior health official told-the Western-press that there were probably a thousand infected individuals among foreign	25X
	students alone. There are 150,000 foreign students in the USSR. 23,000 from Sub-Saharan Africa.	25X1
•	Vigorous measures to find, expel, or exclude all infected students-will further alienate the Africans. Twelve students—three military officers and several with only a year left for their degree—were sent home to Burundi last month. In Mali 300 students scheduled to leave for the USSR in July have been delayed because of the inability of Malian doctors to perform the required AIDS tests. Western students are also posing problems; they are unwilling to be tested by Soviet doctors who reuse needles and are demanding that confidentiality of	0.514.
	test results be maintained.	25X1
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Outlook	
The regime's AIDS program is not likely to halt the spread of the disease, although it will probably slow it. While infected foreign students can be expelled and highly visible prostitutes and overt homosexuals put under tighter control, the much larger population of less conspicuous high-risk carriers is likely to be driven underground. The ability and willingness of the population to engage in "safe sex" will be limited by the prevailing ignorance of AIDS transmission and short supplies of prophylactics.	25X1
Moreover, even if all infected foreign students were eliminated, there will still remain a significant danger of infection from visiting sailors, businessmen, and tourists as well as Soviets traveling outside the country. More than 250,000 Soviets are serving in the Third World as officials; advisers, and military personnel, 14,000 of them in Sub-Scharan Africa.	25X1
AIDS nonetheless is likely to spread less rapidly in the USSR than it	20/(1

may slow the spread of infection.

has in the West and in parts of the Third World. The USSR is at least somewhat shielded by its ability to limit foreign contacts and by its physical isolation from the primary sources of infection. High-risk groups are more scattered and repressed in their behavior, which

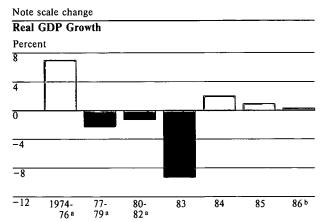
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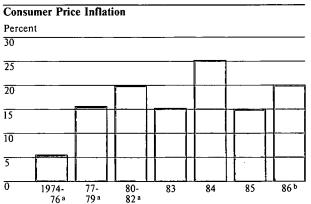
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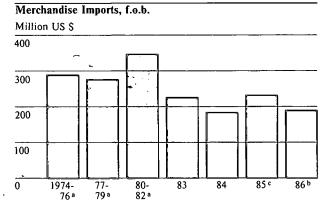
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	Special Analysis
HUNGARY:	Inching Toward Economic Adjustment
·	The Hungarian parliament recently adopted a tough austerity and tax reform program, but its vigorous implementation remains in doubt. Budapest's challenge is to push ahead with measures needed to spur the economy and to avoid a financial crisis without endangering political stability.
	The portion of the package containing vague provisions for reducing subsidies and wage controls and introducing a more selective import policy was unanimously approved. Debate on the personal income tax was sharp, however. Almost 10 percent of the deputies voted against the tax or abstained—a high number, in view of government efforts to consult with a broad range of interest groups before the session and to grant concessions to the most disadvantaged groups.
	Deputy Premier Marothy believes it will be nearly impossible to implement the new tax system next year. The tax legislation and specific provisions for capping Hungary's 16-billion-hard-currency foreign debt and eliminating the budget deficit by 1990 need much fleshing out; it is unclear whether this will occur because the party and government consensus on the issues remains questionable as various groups continue to press for concessions.
	More difficult economic conditions will provoke resentment of the government and increase the likelihood of localized strikes and demonstrations. Lower subsidies and new taxes will boost inflation to at least 15 percent, while efforts to reduce consumption by 6 to 8 percent over a three-year period will lower living standards. The trade unions plan to reopen debate on the tax reform next year, when the effects of the new taxes on incomes and economic performance are clearer.
	Despite more vigorous leadership from Premier Grosz, the regime still is approaching austerity in a cautious manner. The vagueness of the proposals adopted by parliament leaves the government latitude to phase in the program gradually to keep social tensions in check. A gradual approach, however, would fail to deal adequately with mounting economic problems and would not reassure the sellMF officials and commercial bankers who.
	are already pessimistic about the leadership's will-to-implement

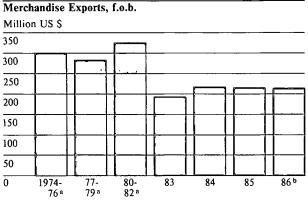
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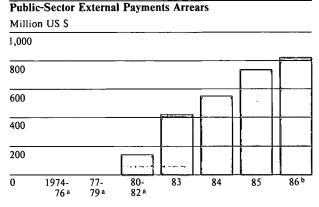
Guyana: Selected Economic Indicators, 1974-86

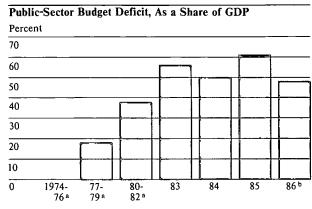












a Annual average.

^b Estimated.

c Includes imports of all commercial aircraft, helicopters, and defense equipment worth \$43 million.

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	Special Analysis
GUYANA:	Turn From Socialism May Slow
	Since assuming power two years ago, President Hoyte has made drastic policy changes in an effort to gain Western capital, but persistent economic troubles threaten to force him to slow his retreat from his predecessor's policies. Even if the economy stirs popular discontent and ruling-party concerns, however, Hoyte is unlikely to jeopardize his government's generally improved
	relations with the 4 8.
	Hoyte was reelected unanimously as leader of the ruling People's National Congress last month, despite his moves to reduce the
	predeminant_role_of_the_party_in_the_government_bureaucracy-and-to
	replace-many-leftist-ideologues-with-moderate-technocrats;
	He has moved energetically to try to revive the economy by selling a few unprofitable state enterprises,
	promoting Guyana's small private sector, and encouraging Western aid and investment.
	The President has ordered-the government to cease anti-US
	rhetoric; Guyana is seeking drug enforcement assistance from the US and participation in the
	Caribbean Basin Initiative.
	Hoyte—while still professing an independent foreign policy—has
	considerably reduced the political influence of the Soviets and their allies in Guyanese affairs.
	Heyte's moves have alarmed ruling-party militants opposed to his
	overtures to the West and other members who fear losing their jobs,
	even forty idealogues concede the pessesity of
	even party ideologues concede the necessity of implementing some economic reforms:
	Despite Hoyte's efforts, Guyana's inability to repay \$100 million owed the IMF and the World Bank probably will preclude sizable Western
	aid and economic recovery any time soon. Recurrent foreign
	exchange shortages and the reluctance of businessmen to invest will also continue to crimp production. If the economy fails to recover,
	Hoyte probably will slow the pace of economic reforms significantly,
	especially planned cuts in Guyana's large bureaucracy, to avoid a
	political backlash. He might also suspend ambitious plans to
	streamline the ruling party further and to weed out corruption.
	Even without a sizable early infusion of Western aid, however, Hoyte is not likely to prejudice long-term prospects for foreign investment by
	realigning Guyana with Moscow and its allies. He probably will blame. Washington, however, if Guyana fails to reach an agreement with
	multilateral*donors-in-the-coming-months-and-might-become-more

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